

# CARES Act

## The Coronavirus Aid, Relief, and Economic Security (CARES) Act

### ***Did you know the CARES Act can help our local Church?***

***By providing key tax incentives for donors to non-profit organizations, the new legislation may encourage you to consider a financial gift to your parish, the Diocese of Metuchen or one of its entities.***

- **What is the CARES Act?**

On Friday, March 27, Congress passed and the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This is a \$2 trillion economic stimulus package legislated to provide immediate relief for nonprofits, businesses, individuals and state and local governments.

- **How does the CARES Act benefit donors to nonprofit organizations?**

The CARES Act incentivizes charitable giving from individuals and corporations by increasing tax deductions for charitable donations.

- **What are individual donor benefits?**

All taxpayers (*both those who itemize and those who use standard deduction*) can deduct up to \$300 of total charitable contributions in 2020. Prior to the CARES Act, those who use standard deduction could not deduct any charitable giving.

- **What are the additional benefits for those who itemize their taxes?**

The law lifts the existing cap on annual contributions for those who itemize their taxes, significantly raising it from 60% of adjusted gross income to 100% of adjusted gross income.

- **What are charitable giving incentives for corporations?**

The CARES Act raises the annual limit of charitable giving that corporations can deduct from 10% of taxable income to 25% of taxable income.

Food donations from corporations are raised from 15% of taxable income to 25% of taxable income.

***This communication is for informational purposes only and is not to be considered legal or tax advice. Please consult with your accountant or tax advisor with regard to such matters.***

**See the following links for the sources referenced and for more information:**

<https://www.congress.gov/116/bills/hr748/BILLS-116hr748eas.pdf>

[Inside Charity "CARES Act for Nonprofits - What's in the Bill For Charities?"](https://insidecharity.org) <https://insidecharity.org>, 28 March 2020.

["Coronavirus Aid, Relief, and Economic Security CARES Act \(Pub. L. 116-132\). "National Council of Nonprofits", 27 March 2020](#)

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### *What should Non-filers do?*

Most eligible taxpayers who filed for federal income taxes in 2018 or 2019, who receive Social Security Retirement, disability, survivor benefits or Rail Road Benefits will automatically receive their Economic Impact Payment (“stimulus check”).

Although, there are certain individuals who do not usually file a tax return (“Non-filers”). Non-filers may include, but not be limited to, those who receive Veteran’s Disability Compensation, a pension, or survivor benefits from the Department of Veterans Affairs, or if your income level (gross income did not exceed \$12,200 or \$24,400 for married couples) does not require you to file a tax return.

**Non-filers will need to provide the necessary information to the IRS in order to be determined eligibility to receive a stimulus check.**

**[Non-filers can click here to go to the IRS website](#) for instructions so that eligibility can be determined.**

### **Scamming Prevention Tips and Reminders**

*Please know scammers are taking advantage of the pandemic and using it to steal personal information.*

*To prevent scammers from taking advantage of you:*

- Always be careful handling sensitive information such as social security numbers and legal documents, etc.
- Never share your personal and/or financial information on the phone or through email and/or text messages.
- Know that the government will never call you to ask for money.
- Be aware of fake/phishing emails from fake medical experts or organizations such as the Center for Disease Control (CDC) or the World Health Organization (WHO) claiming that they have a cure you can purchase.
- Be aware of websites on the internet offering vaccine kits for a small shipping fee.
- Know that scammers may attempt to go door to door requiring you to take a fake coronavirus test.
- Be aware of emails from someone spoofing your workplace email (such as your HR department) that targets employees at your organization.

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